

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Neutral

BILL NUMBER: AB 1129
AUTHOR: A. Portantino

BILL SUMMARY: Unemployment Insurance: Use of Information

This bill would allow the Employment Development Department (EDD) to share information with a designated student loan guaranty agency with an operating agreement with the California Student Aid Commission.

FISCAL SUMMARY

As this bill merely extends the release of information to a federally designated student loan guaranty agency, it is not anticipated to result in any additional costs to EDD. EDD has provided this information to the EdFund through an agreement with the Student Aid Commission. The costs for the data were reimbursed through an agreement with the SAC. Total reimbursements were approximately \$37,000 during 2009-10. While the total costs are determined by the frequency and intervals of the request, they would continue to be reimbursed by the guaranty agency.

COMMENTS

The Department of Finance is neutral on this bill.

Existing law authorizes EDD to share specified data to provide federal, state, and local government agencies with information on individuals who have been delinquent or default on student loans. Under these provisions the EdFund was able to access this data to locate and contact borrowers approaching delinquency or default on student loans. This was done through an agreement with the Student Aid Commission. In 2010, the U.S. Department of Education terminated the Student Aid Commission's guaranty agreement and transferred these functions to the Education Credit Management Corporation (ECMC).

This bill would allow this new guaranty to access this data for the same purpose pursuant to an operating agreement with the Student Aid Commission.

		SO	(Fiscal Impact by Fiscal Year)							
Code/Department		LA	(Dollars in Thousands)							
Agency or Revenue		CO	PROP						Fund	
Type		RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013	Code
7100/EDD		SO	No		-----	No/Minor	Fiscal Impact	-----		0870
<u>Fund Code</u>	<u>Title</u>									
0870	Unemployment Administration Fund									

Analyst/Principal (0240) K. Shelton	Date	Program Budget Manager Todd Jerue	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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